

with any other fixed or mobile telephone or radio telephone station. However, the term does not include any service which is toll telephone service or wire and equipment service. For the definition of the term "toll charge", see paragraph (a) of § 49.4252-2. For provisions relating to coin-operated telephones, see section 4253(a) and § 49.4253-1.

(b) *Amounts paid.* For purposes of the tax in respect of general telephone service, the term "amounts paid" means the amounts collected for the service, whether the charge is made on a monthly or other periodic basis, or is based on the number of calls made, or is in the form of an assessment as in the case of a mutual telephone system. Where a basic periodic charge is made for the service, with additional charges for all calls or additional calls above a certain number, the additional charges are also subject to the tax. Other rules relating to amounts paid are as follows:

(1) Where the charge for telephone service includes an additional charge for not making payment within a specified time, the total amount paid including the additional charge is the basis for computing the amount of tax due. Similarly, where a discount is allowed for the payment within a specified time of a charge for service rendered, the tax is to be computed on the amount actually paid.

(2) Assessments or charges paid by members or subscribers of a mutual or cooperative telephone company, association, or system for switching services, or for the repair or replacement of instruments, poles, wires, equipment, etc., incidental to ordinary maintenance, are subject to the tax.

(3) All amounts paid by subscribers for private branch exchange service, for the use of switchboard, switching, and other telephone equipment, for the use of trunk line facilities, for tie lines connecting private branch exchanges, and for any extension line, are subject to the tax on general telephone service.

(4) The tax attaches to the total charge made to a hotel or similar subscriber for general telephone service furnished to the hotel or its guests, but no tax attaches to any charge made by

the hotel for service rendered in placing the calls for its guests.

(5) In cases where a person leases lines or channels, equipment, and other facilities used in conjunction with general telephone service, the amounts paid by such person for such lines or channels, equipment, and other facilities constitute amounts paid for general telephone service, notwithstanding the fact that the lines or channels, equipment, and other facilities used in conjunction with such service are supplied by different persons or in part by the user of such service.

(c) *Cross reference.* For other provisions relating to general telephone service, see § 49.4252-4.

**§ 49.4252-2 Toll telephone service.**

(a) *In general.* The term "toll telephone service" means any telephone or radio telephone message or conversation for which there is a toll charge, and the charge is paid within the United States. A toll charge is a charge made for such a message or conversation to a place beyond the local service area. For the meaning of the term "United States", see paragraph (d) of § 49.4252-4.

(b) *Amounts paid.* (1) The tax in respect of toll telephone service is imposed on the total amount paid for the service, including any charge, in addition to the basic toll charge, made for "overtime" in connection with a telephone or radio telephone message or conversation.

(2) The tax attaches to the total charge made to a hotel or similar subscriber for toll telephone service furnished to the hotel or its guests, but no tax attaches to any charge made by the hotel for service rendered in placing the calls for its guests.

(c) *Cross reference.* For provisions relating to toll telephone messages communicated through the use of coin-operated telephones, see section 4253(a) and § 49.4253-1. For other provisions relating to toll telephone service, see § 49.4252-4.

**§ 49.4252-3 Telegraph service.**

(a) *In general.* The term "telegraph service" means a telegraph, cable, or radio dispatch or message for which the charge is paid within the United